



***Department of the Navy
Strategic Plan for Achieving an Unqualified Opinion***

***Office of the Assistant Secretary of the Navy
(Financial Management and Comptroller)***

***Department of the Navy
Financial Improvement Plan
(DON FIP)***

Command Level Statements

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Michael Sullivan

IBM Business Consulting Services



* DON Financial Statements

- ▶ What's really in the DON Financial Statements?
- ▶ How do Commands participate in the Financial Statement compilation process?
- ▶ What do the Financial Statement numbers mean?

* Command Level Statements

- ▶ What do Command Level Statements mean?
- ▶ What is the relationship between Command Level Statements and the DON FIP?

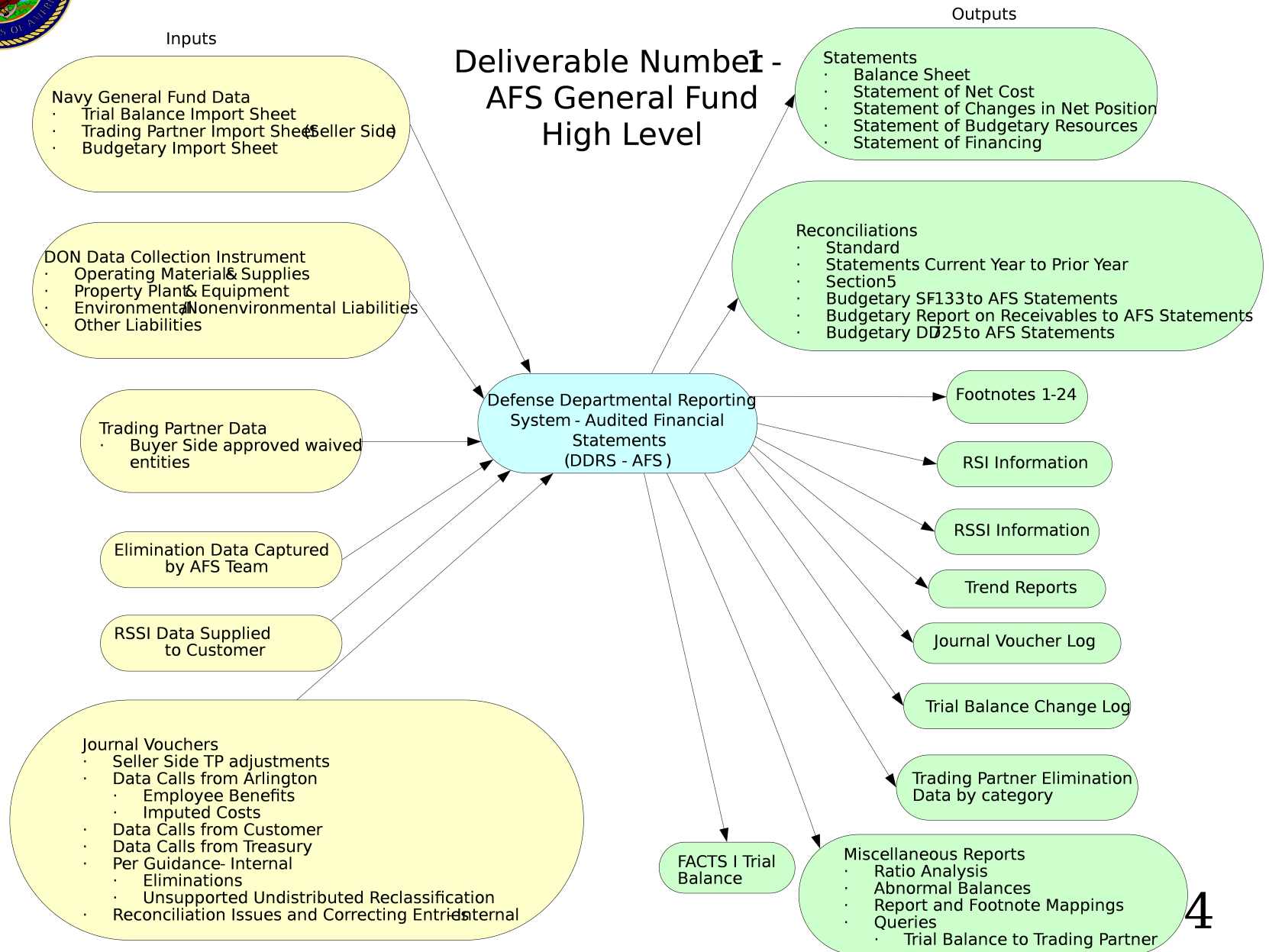


DON Financial Statement: What is this thing?

- * Single presentation of the two reporting entities:
 - ▶ Department of the Navy, General Fund
 - ▶ Navy Working Capital Fund
- * Includes comprehensive financial management reporting:
 - ✓ Opening Messages
 - ✓ Management's Discussion and Analysis
 - ✓ Principal Statements
 - ✓ Notes to the Principal Statements
 - ✓ Supporting Consolidating/Combining Statements
 - ✓ Required Supplementary Stewardship Information
 - ✓ Required Supplementary Information
 - ✓ Other Accompanying Information
 - ✓ Audit Opinions

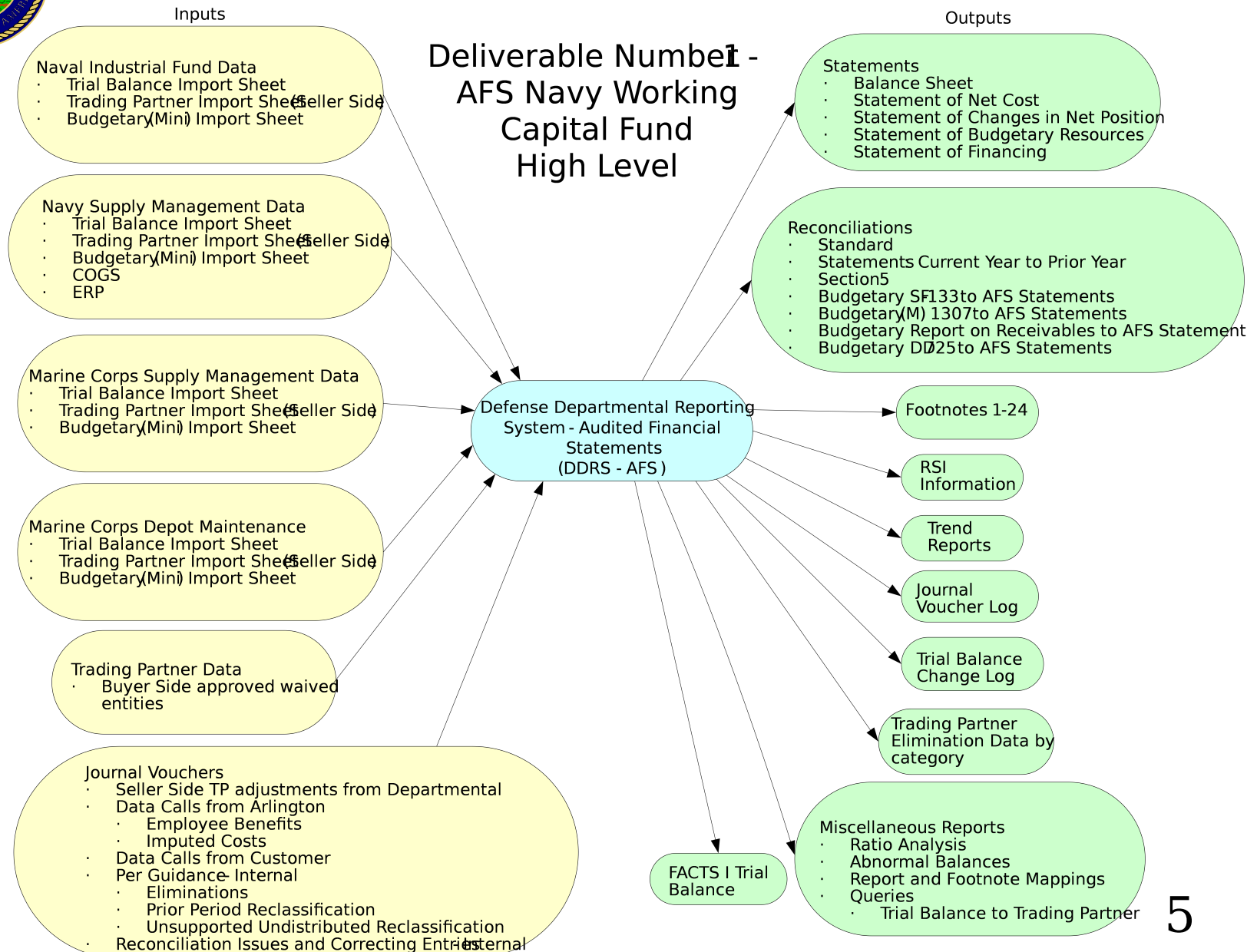


DON AFS Inputs and Outputs- GF





DON AFS Inputs and Outputs- WCF





What do the numbers mean?

- * The DON Financial Statement numbers are representations of financial outcomes associated with the business events that occur in the day-to-day operations of all levels of the Navy.
- * The DON Financial Statement numbers are only as good as the people, systems, processes, and controls that produce them and the documentation that supports them.
- * So what do the numbers mean?
 - ▶ The numbers mean little unless we, as a Department, are able to prove that the methods and data used to produce the numbers are trustworthy.



How the Statements Were Created

* Navy Working Capital Fund

- ▶ DDRS-B allows users to drill down on financial statement information through the activity level.

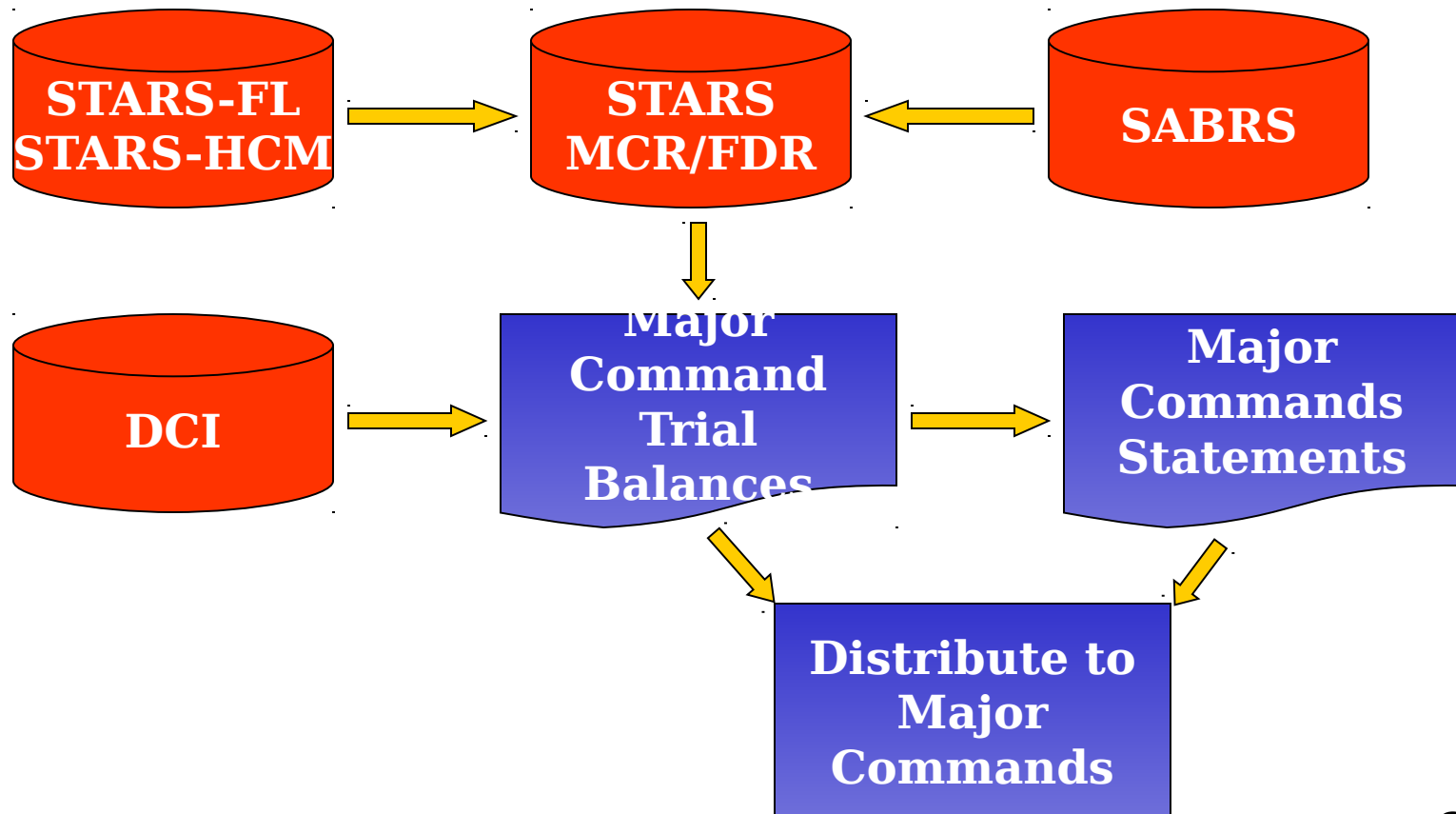
* General Fund

- ▶ Data was taken from STARS-MCR and the DCI submissions to create the statements and trial balances.
 - ▶ STARS data feed received summarized by Organization Code and Appropriation
 - ▶ DCI data submitted by Major Commands and mapped to appropriate line item.
- ▶ Information was compiled at the FMO to produce the Command Level Balance Sheet and Trial Balances



Major Command Trial Balances - GF

Command Level Trial Balances will allow Major Commands/Marine Corps to more closely monitor the validity of their data.





Command Statement Value

- * ***The intent of Command Level Statements is to understand each Commands contribution to the financial standing of the Department.***
- * Commands should familiarize themselves with the information included in their Command Level Statements (Both GF and WCF) and work to understand what contributes to their numbers.

Line Item	Component	Component Elimin.	Command A	Command B	...		DON AFS
FBWT	\$ (346,024)	\$ 0	\$ 256,819	\$ 212,906	\$ 1,703,945	=	\$ 1,827,646
A/R Intra	\$ 439	\$ (114,571)	\$ 166,029	\$ 143,257	\$ 387,619	=	\$ 582,773
A/R Public	\$ 73,900	\$ 0	\$ 25,502	\$ 105	\$ 12,268	=	\$ 111,775
PP&E	\$ 0	\$ 0	\$ 632,672	\$ 108,334	\$ 3,582,904	=	\$ 4,323,910
A/P Intra	\$ (161,370)	\$ (114,571)	\$ 44,350	\$ 45,370	\$ 500,010	=	\$ 313,700